

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re: * (Jointly Administered)
FRANK'S NURSERY & CRAFTS, INC. *
et al., * Case No. 01-5-2415-JS
* (Chapter 11)

Debtors.

* * * * *

**APPLICATION BY INTERIM COMMITTEE
OF UNSECURED CREDITORS
TO EMPLOY SHAPIRO SHER & GUINOT AS ITS ATTORNEYS**

The Interim Committee of Unsecured Creditors for Frank's Nursery & Crafts, Inc. and FNC Holdings, Inc. (the "Committee") applies to employ the law firm of Shapiro Sher & Guinot as its attorneys *nunc pro tunc* to February 20, 2001, and, in support thereof, states:

1. On February 19, 2001, Frank's Nursery & Crafts, Inc. and FNC Holdings, Inc., Debtors and Debtors-in-Possession (the "Debtors"), filed Voluntary Petitions for relief under Chapter 11 of the Bankruptcy Code.
2. On February 20, 2001, the Office of the U.S. Trustee appointed an interim committee of unsecured creditors, and, subsequently the Committee selected Fred Hobson of Burpee Garden Products Co. as chairperson.¹
3. In accordance with 11 U.S.C. Section 1103, the Committee desires to employ Shapiro Sher & Guinot as its attorneys to represent it in these cases. The Committee has selected Shapiro Sher & Guinot to represent it because the firm has considerable experience

¹ The Interim Committee was appointed by the U.S. Trustee's Office on February 20, 2001 due to the circumstances of these cases. It is expected that the U.S. Trustee will appoint a final committee in the near future which will be comprised of one or more members of the Committee. At that time, if that Committee continues the retention of Shapiro Sher & Guinot, this Application will cover that retention as well. If the final Committee retains alternative counsel, this Application will cover only those periods until new counsel is retained and Shapiro Sher & Guinot's appearance is stricken.

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in insolvency and bankruptcy matters, including the representation of creditors' committees in Chapter 11 cases.

4. The professional services that Shapiro Sher & Guinot will render include:
 - a. Advising the Committee with respect to its powers and duties;
 - b. Consulting with the Debtors concerning the administration of these cases;
 - c. Preparing any necessary applications, orders, pleading, reports or other legal papers, and appearing on behalf of the Committee in proceedings initiated by or against the Debtors or third parties;
 - d. Assisting the Committee in the investigation of the acts, liabilities and financial condition of the Debtors, the operation of the Debtors' business and the desirability and profitability of continuing such business, and any other matter relevant to the cases and the formulation of a plan of reorganization;
 - e. Participating in the formulation of a plan of reorganization;
 - f. Assisting the Committee in evaluating the necessity of seeking the appointment of a trustee or examiner and requesting such appointment, if necessary; and
 - g. Performing any and all other legal services for the Committee which may be necessary or desirable and in the interest of unsecured creditors.

5. The Committee submits that the retention of Shapiro Sher & Guinot under the terms described herein is appropriate under sections 328 and 1103 of the Bankruptcy Code. To the best of the Committee's knowledge, Shapiro Sher & Guinot does not have any

connection with the Debtors, their creditors or any other party in interest, or their respective attorneys, except to the extent set forth in the Affidavit of Joel I. Sher, a member of Shapiro Sher & Guinot. Accordingly, the Committee believes Shapiro Sher & Guinot is “disinterested” and does not hold or represent an interest adverse to the Debtors or these estates.

6. The Committee believes the employment of Shapiro Sher & Guinot as the Committee’s counsel is in the best interest of the estates and their creditors, and that Shapiro Sher & Guinot is well qualified to represent them in these Chapter 11 cases.

7. Because of the extensive legal services required, the Committee wishes to employ counsel on an hourly basis, with compensation subject to the Court’s approval. The Committee proposes that Shapiro Sher & Guinot be paid for services rendered on an hourly basis, at normal hourly rates, and be reimbursed for expenses incurred, subject to Bankruptcy Court approval and in accordance with applicable Local Bankruptcy Rules, and any orders of this Court regarding compensation of professionals employed in these cases.

8. The Committee believes that the compensation terms for Shapiro Sher & Guinot are fair and reasonable for the services to be provided. In that regard the hourly rates for partners range between \$210.00 to \$300.00 per hour; the hourly rates for associates range between \$145.00 to \$195.00 per hour and the hourly rates for paralegals range between \$65.00 to \$80.00 per hour.


9. The Committee believes that it is appropriate for this Court to approve the retention of Shapiro Sher & Guinot upon the terms set forth in this Application.

WHEREFORE, the Interim Committee of Unsecured Creditors respectfully requests the following relief:

A. That the Interim Committee of Unsecured Creditors be authorized to employ the law firm of Shapiro Sher & Guinot as its attorneys in these cases, with compensation for services rendered and reimbursement of expenses incurred to be subject to application and further order of Court; and

B. That the Interim Committee of Unsecured Creditors be granted such other and further relief as is just and equitable.

INTERIM COMMITTEE OF UNSECURED
CREDITORS

By: 
Fred Hobson, Chairperson
Burpee Garden Products Co.
300 Park Avenue
Warminster, PA 18974

(215) 674-4900

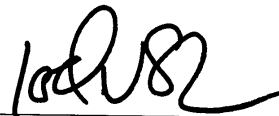
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 9th day of March, 2001, a copy of the foregoing Application of Interim Committee of Unsecured Creditors to Employ Shapiro Sher & Guinot as its Attorneys, proposed Order therefor, and Statement of Attorney Pursuant to Bankruptcy Rule 2014 were mailed, by first-class mail, postage prepaid, to the following:

Karen H. Moore, Esquire
Assistant U.S. Trustee
Office of the U.S. Trustee
300 West Pratt Street, Suite 350
Baltimore, MD 21201

Paul M. Nussbaum, Esquire
Martin T. Fletcher, Esquire
Whiteford Taylor & Preston
Seven St. Paul Street
Baltimore, MD 21202

Alan Lipkin, Esquire
Steven Loilamowsky, Esquire
Carollyn Pedreira, Esquire
Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019-6099



Joel I. Sher, Bar No. 00719

Shapiro Sher & Guinot
36 South Charles Street
20th Floor
Baltimore, MD 21201-3147
(410) 385-0202

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* * * * *

STATEMENT PURSUANT TO BANKRUPTCY RULE 2014

I, JOEL I. SHER, state:

1. I am an attorney duly admitted to practice in the State of Maryland and before the United States District Court for the District of Maryland.

2. Neither Shapiro Sher & Guinot nor I represent any party having an adverse interest in connection with these cases.

3. I have not served as an examiner in connection with these bankruptcy cases, nor has any member or associate associated with the law firm of Shapiro Sher & Guinot.

4. In connection with Shapiro Sher & Guinot's proposed representation by the Committee in these cases, I caused a review to be undertaken to determine any connections that Shapiro Sher & Guinot may have with the Debtors, any creditors, parties-in-interest or their attorneys. Upon being contacted by the Committee, Shapiro Sher & Guinot requested and obtained from Debtors' counsel an extensive list of interested parties and creditors. This list is expected to be updated, and Shapiro Sher & Guinot will update its disclosures after the Debtors' full list of creditors is filed, if any others connections are found.

5. However, after a review of the above information, I have determined the following:

(a) Shapiro Sher & Guinot currently has no connection with the Debtors. However, during the period of 1979 to 1981, the predecessor law firm to Shapiro Sher & Guinot represented Frank's Nursery & Crafts ("Frank's") with respect to several retail locations in Maryland. Those matters dealt with lease negotiations and tax assessments on said properties. This representation was neither general nor ongoing in any capacity, and Shapiro Sher & Guinot's representation terminated at that time. Furthermore, neither Shapiro Sher & Guinot, nor its predecessor firm, has represented Frank's in any capacity other than those isolated incidents.

(b) Shapiro Sher & Guinot has in the past and currently represents one or more of the Combined Properties ("CPI"), which, on information and belief, are landlords for two of the Debtors' retail store locations. Shapiro Sher & Guinot may continue its representation of CPI in other matters, but has not represented CPI with respect to any matters involving the Debtors and will not represent CPI in any matter relating to the Committee, the Debtors or any creditor in these Chapter 11 cases.


6. Neither of the relationships recited above would give rise to a finding that Shapiro Sher & Guinot represents or holds an interest adverse to the Debtors, the Committee or any parties-in-interest in these cases with respect to the services for which Shapiro Sher & Guinot would be retained.

7. Other than my position as a panel trustee with the U.S. Trustee, the law firm of Shapiro Sher & Guinot and I do not have any connection with the U.S. Trustee or any person employed by the Office of the U.S. Trustee.

8. I have not shared nor agreed to share any compensation paid or to be paid in connection with these cases, except with the law firm of Shapiro Sher & Guinot, of which I am a member.

I state under penalty of perjury that the foregoing is true and correct.

Date: March 9, 2001


Joel I. Sher, Bar No. 00719
Shapiro Sher & Guinot
36 South Charles Street, 20th Floor
Baltimore, MD 21201-3147
(410) 385-0202